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ABSTRACT

The usual ways of thinking about organiztions represent them as physical or biological entities that respond to their environments as whole, integrated systems existing apart from individuals. Such images omit human will, imagination and moral choice. If we think about organizations in human terms, we must think about the capacity of individuals to reflect, choose, and create. If organizations are simply systems responding to environments, the individual is subordinated to an impersonal process of adjustment. Personal responsibility for action is lost. If we are to think meaningfully and helpfully about organizations, we must reach for new images. An alternative evokes the stage, the play and the actor. We may then ask new questions about organizations. Who sets the stage? Who writes the script? Who defines the role? What restraints bind the actors and why do they bind them at all? Individuals are never simply "products" of organizations and environments. The lines between script, role and actor fade as do the distinctions between organization, environment and self. Organizations are social inventions produced by individuals. Their dynamic is power wielded by individuals who bind others by imposing values on them. Individuals grow within values so that imposition becomes self-identification and commitment. (Author)

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ENVIRONMENT AS SUBJECTIVE REALITY

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ABSTRACT

The usual ways of thinking about organizations represent them as physical or biological entities that respond to their environments as whole, integrated systems existing apart from individuals. Such images omit human will, imagination and moral choice. If we think about organizations in human terms, we must think about the capacity of individuals to reflect, choose and create. If organizations are simply systems responding to environments, the individual is subordinated to an impersonal process of adjustment. Personal responsibility for action is lost. If we are to think meaningfully and helpfully about organizations, we must reach for new images. An alternative evokes the stage, the play and the actor. We may then ask new questions about organizations. Who sets the stage? Who writes the script? Who defines the role? What restraints bind the actors and why do they bind them at all? Individuals are never simply "products" of organizations and environments. The lines between script, role and actor fade as do the distinctions between organization, environment and self. Organizations are social inventions produced by individuals. Their dynamic is power wielded by individuals who bind others by imposing values on them. Individuals grow within values so that imposition becomes self-identification and commitment.

In contemporary theory about them, organizations are seen as entities separate from individuals, or at least as forces that act independently of individuals. In this theory, organizations are more than the sum of their parts. This surplus is like a ghost in the machine when theory tries to define it precisely, but theory requires us to regard organization as real (Aldrich, 1978, pp. 2-3; Griffiths, 1977, p. 5) and to believe that it has potent effects. Beyond the notion of organization as a reality independent of people, contemporary theory introduces the idea of a force acting on the organization from outside of it. This wider force is, of course, the environment. Theory sees in these two concepts--organization and environment--interacting entities that must adapt or adjust to each other. In this view, individuals are more or less left to fend for themselves as these stronger forces play out their effects.

In an alternative theory, organizations are inside people and are defined completely by them as they work out ideas in their heads through their actions in the practical world. In this view both organization and environment exist as subjective realities. The distinction between organization and environment fades or becomes arbitrary as the ideas both of organization and of environment are subjectively perceived realities. The subjectivist view holds that whatever organization and environment are, they are fundamentally the same kind of thing. Even as organization can be understood as people in action, so environment should be understood simply as more people acting out their ideas and beliefs.

The basic theoretical issues in this matter can be resolved into four fundamental questions. First, can organizations and environment be conceived best as interacting entities that are separate from individuals and that yet are real and governed by regularities that can be expressed as scientific laws? Second, what is the nature of the phenomena we commonly

recognize as organization or environment? Third, what gives some people power over others? And finally the question of values in organization: are they out there or in here?[1] Critics will no doubt object that these questions are hardly distinct from each other and that they are chosen to argue my biases. This is true, but I will explore them in any case because they provide a framework that will demonstrate how two alternative views of organization and environment are in fundamental conflict with each other on virtually every major theoretical issue.

Values and Alternative Realities in Organization Theory

There is more than one way of looking at what we choose to call reality.[2] The world view I espouse regards ideas and values as subjective realities that we strive to realize in or to impose upon the world around us. This view does not hold that the subjective reality is the only reality. There is a world out there that we do not control and there are certainly other people too whom we do not control, though often we strive to do so. The alternative view holds that the individual is the ultimate building block--the atom--of organization. This view holds too that environment is simply the reflected image of other organizations. Organization and environment are two sides of the same coin and both are created out of human ideas and effort.

In this regard it is helpful to think with Hodgkinson (1978a, p. 276) of levels of reality that vary from "the world of hard edges, tangibilities, and the stuff and furniture of experience" to the ultimate personal reality, "the phenomenological realm of individual experience which, at least in potential, is voluntaristic or free." Or we may speak with Schumacher (1977, 15) of the great Chain of Being that divides the world into four kingdoms ranging from the mineral through the plant and animal kingdoms to the highest known realm--all that is human. Each higher link in the chain is composed of elements from the lower realms, but the higher realms cannot at all be

defined in terms of the lower ones. The highest realm -- that which is human -- is distinguished uniquely by a reflective consciousness that rests in self and in awareness of self. Knowledge of self and of all that is personal -- will, values, choice -- is what distinguishes humanity from other forms of life and from the inanimate world. Recognition of this highest realm -- of that which is essentially human -- must be built into any theory of organization that takes seriously into account individuals as active agents, blessed or cursed with free will and who are responsible in some sense for what they do.

As Hodgkinson (1978a, 277) points out, the highest kind of reality is personal and unique for each individual, though that reality may be said to be composed of lower or more readily verifiable forms of reality. He argues that there is a mingling of elements of the lower kinds of reality into the ultimate personal reality. But even though there are elements mingled into personal reality that are hard, scientific and verifiable, they will never allow us to control or predict the highest personal reality of the individual from a knowledge of these lower kinds of reality. Knowledge of these objective elements is inadequate as a basis for understanding personal reality because the action of those lower kinds of reality

> ...will produce quite different *mise en scène* for the psychotic or the normal adult, for a child, indeed for any two persons. Propositions touching upon this realm, therefore, while constrained by the "lower" or "harder" realities and falsifiable by them, are more evocative or philosophical: they function only through the eye of the beholder and the mind of the reader and are dependent for their ultimate worth and validity upon the value orientation, life experience, and phenomenological status of the recipient. They are, as it were, raw material for philosophy, and their function is as much affective as cognitive.

As I see it, the failure of modern organization theory is due to the fact that it has ruled out of consideration matters such as experience, choice and value that belong to the highest level of reality. It has treated organizations either as mechanisms or organisms (Boulding, 1968, 6-7). In

the first case they are represented as thermostats or guided missiles or as other models appropriate to the inanimate kingdom. Beyond mechanistic images of this kind, modern organization theory has reached for biological models depicting the organization as an entity with a brain, memory, heart, nervous system, and other bodily and psychological features (March and Simon, 1958, 7-11), as though an organization had the separateness and integrity of an organism in a balanced aquarium. An organization theory that deals with the ultimate realities in the realm of the uniquely human has yet to be written. Perhaps it never will be written unless we consider that law, history and literature and the great tradition of subjectivist social science and philosophy have already done the job.[3]

What we see as organizational reality depends in large measure on what we think we are going to see and on what we want to believe.[4] Much of what we believe about organizations is simply assumption--but assumption that we hold to be incontrovertably and incontestably true. Our beliefs about organizations are like axioms--beyond verification--and we regard them often as so obvious that only a fool would question them. These beliefs are like faith or our deepest sense of life and the nature of man. They are also matters of choice, but a choice deeply imbued with values and moral imperatives. In these circumstances it is not surprising that those who make different choices about the very fundamentals of organizational reality find it difficult to understand each other, let along speak meaningfully about their differences. Some are likely even to deny that there is a coice. To admit the possibility of choice would question the foundation of an elaborate and widening field of knowledge that is held to be useful and right--and right not only factually but morally as well.

Even as we sometimes tolerate adherents to faiths other than our own, we may come to acknowledge the right of people to choose different

beliefs about organizations. In doing so, we would open up an exploration of organization theory as ideology.[5] Such exploration is as likely to bring dispute and confrontation as it is to yield dialogue and illumination. But it is in hope of the latter that I undertake once again to speak on a topic that I feel is completely alien to the fundamental propositions that I hold to be true about organizations.

To speak of organizations in environments is to conceive them in the tradition that reifies organizations, that regards organization as distinct from the people within it and that depersonalizes administrative action and the experience of life in organizations. It is a belief that sees organization as something separate from human endeavour and that seeks a solution to human problems in the adjustment of an illusion (the organization) to an undefined residual concept (the environment). Those who believe that something called an organization can adapt to something else called an enviroment do so under the illusion that there are laws governing organization in environments that elevate the process of adjustment to a science and those who practise it to the status of benefactors of mankind. In the world of ecology and medicine that is so often seen as the model for organization theory, such benefactors are called research scientists or physicians; in organization theory they are called professors and consultants.

Modern theorists are apt to assume that organizations are like organisms and that they can be maintained in health by studying them in relation to their environments. They then wish to apply the knowledge derived from their study to the development of public health policies that will create healthy, happy, productive and efficient organizations. Such a strategy is doomed to failure because, in my belief, organizations do not exist as entities apart from individual action, so there is nothing that can be adjusted to an environment. And even if organizations could be considered as being in some sense real but collective entities, their environment would

not be something non-organizational, but merely other organizations. In this view, we are left not with an organization set against an independent environment requiring the organization to recognize it and to adjust to it but, instead, simply with one organization set in struggle against another. Reducing all this to its simplest meaningful elements, I want to say about relations between organizations and environments that they are best understood as a struggle among individuals as they strive to wield power over each other. Such struggles are willful, existential and chancy rather than rule-bound, systematic and predictable. They require us to look directly at what people do and to try to discover why they do it.

In these efforts to exert will in existential reality, the individual -- the one acting against fate, against the universe, or acting purely in response to the spark that gave him life -- that person is likely to seek the assistance of others as a means of ensuring victory, or achievement, or the simple satisfaction that comes from doing something with others. As soon as one person assists another to fulfill an idea in the head of the first, an organization appears. It has no reality in itself except as human effort gives it life. In the relationship of one person to another lies the reality of organization and the dynamic that we call power. Organizations require two things to make them real: an idea for action (or more likely ideas for action) in someone's head and a process that commits others to the realization of those ideas. The development of ideas for action we call inspiration, genius, policy-making or the work of the devil, depending on our assessment of the ideas themselves. Those who mobilize people around ideas and who commit them to those ideas we call leaders. The job of leaders, of course, is to go about committing people to others' ideas by whatever means they can -- by reason, calculation, persuasion or charismatic inspiration. What matters is the commitment and the relationship that orients the action of some people to

others' ideas. When some people are related in action so as to bring to fruition the ideas of others, we have organization and we have power.

These propositions about people, their ideas, action and the relationships among them are the elements of an alternative conception of organizations. They define organization and power by casting them totally in human terms without resorting to entities separate from individuals. The fact of ideas in people's minds and the possibility that these people will act to realize their ideas does raise the possibility that other people will reject those ideas or be frightened by the prospect of concerted action to realize them in action. What resists the realization of ideas can, I suppose, be physical reality. In this case we are justified in talking about an organization-environment interface, if we wish to use such an awkward term. More commonly, what resists is other people who are hostile to the ideas motivating the organization, who are indifferent to them or who have simply been excluded from relationships among those who form the organization. Inevitably, too, other people have their own ideas or have been committed to others' organizations and to others' ideas. What we often see as an organization reacting to its environment is better described as an organization reacting to another organization. Ultimately such interaction is the reaction of certain individuals grouped around one set of ideas to other individuals grouped around other sets of ideas. Unless we are Platonists, we must believe that ideas exist not in themselves but in the minds of people. In this sense organizations are a subjective reality and so, too, is the environment in which they exist.

If this introduction has not strained the tolerance of critics to the point where tney see no point in further exploration of such ideas, I would like to conclude the paper with an examination of ideas about organization and environment as these are presented in what has come to be

known as "modern organization theory".[6] I will offer a critique of these ideas and suggest alternatives that I believe to be simpler and more useful. Together these alternative ideas constitute a foundation for a theory of organization that is different from the one now advocated by most scholars in our field. I have been over this ground before and I will rely on other writings to supplement and document what I have not spelled out in detail here.[7]

Organization and Environment in Modern Organization Theory

The basic postulates of administrative action as seen in modern organization theory are the following:

1. Organizations are real entities that, if not organic and orgasmic, are at least bound, structured and goal-oriented.

2. Organizations exist in environments that are just as real as the organizations they encompass. They challenge, stimulate and support the organization, but ultimately they judge them against standards of efficiency or at least against the great test that permits only the fittest to survive.

3. The alternative to adaptation and conformity to environmental demand is extinction. This law applies to organizations as strongly as it does to any species in an environment. The organization cannot escape its environment any more than the goldfish can its bowl.

4. Organizations that survive have read aright their environment and its great law. That they survive means that they are efficient, or if not efficient, that they are functional, or if not functional that they are at least conforming, obedient and good.

Together these postulates give us the systems conception of organization. Its logic is that the problem of survival can be solved by a rational self-interest that is best pursued through collective action and control. In this view, administrators are agents of the system -- not just of the organization but of the organization in an environment. The task of administrators is to maintain the integrity of the organization -- its purposes and structures -- in the face of environmental pressure and challenge. To succeed in this task, they must work not so much <u>against</u> the unrelenting discipline of the environment but rather

in harmony with that discipline. Their responsibility is not just to the organization but to the organization in its environment. This fact may require them to be cruel to be kind. They may on occasion see that the environment requires them to sacrifice part of the organization that the whole may survive. But as Hodgkinson points out, this logic often means in modern management that the only person these days who survives the sinking of the organization is the captain.

Most organization theorists are environmental determinists, Darwinians, moralists and optimists. They are environmental determinists because they see organizations as dependent on the environment. The form and fate of organizations are seen as externally determined. The organization may make errors in reading the environment, but the punishment for error is meted out impartially, inevitably and mindlessly by the automatic working of forces in the environment. While organizations may make choices as they pursue survival, they are not fully responsible for what happens to them. They are the victims of fate and circumstances and of their own structure and technology. The life history of organizations is therefore either triumph or tragedy, but the environment is always the *deus ex machina* that determines the final outcomes in these dramas.

Organization theorists are Darwinians because they see in the struggle of organizations against their environments the dynamic of an upward spiralling evolution. They are moralists because they are concerned both for the health of organizations and for their right adjustment to environmental demands. They believe also in an evolutionary spiral in organizational morality. It is not just that the fittest survive, but that they do so after a contest that involves the struggle between evil and good, between death and life, between extinction and survival. Ultimately administrators are responsible not to individuals but to the organization that must survive even at great cost -- or possibly at all costs.

Discipline and efficiency, structure and technology turn out to be more than simply the weapons of choice in the search for survival in a dangerous environment. Because they are effective for survival, these weapons are seen as good in themselves. And finally, organization theorists are optimists because they believe that the freewheeling operation of organizations in their environments brings us organizations that are good, humane and democratic -- or that can be so if administrators would heed the lessons that are written in the laws of organizational adaptation and survival. Those who doubt this moralist and optimistic slant in organization theory should look for example at the work of Bennis, who proclaimed in his enormously influential work, Changing Organizations, (1966, 16ff.) that "democracy is inevitable". There also he gave his "farewell to 'great men'" because he believed that the former "heroes" of organization had received the *coup de grâce* from democracy and had been replaced by something called "solid management teams" (1966, 21-22).

The ideas about organizations and environments that have been sketched in broad strokes in the foregoing discussion deserve closer attention and analysis. I will look now at how contemporary organization theory deals with the concepts of organization in environment and how it fuses them into a single complex metaphor that describes organizations as open systems seeking equilibrium within an encompassing environment.

Environments and organizations as actors. Running through most of the literature on organizations in environment is the idea that environments act and organizations respond, although sometimes it is acknowledged that it is the environment that responds to the action of the organization. In any case, it is easy to see why Mericle (1980, 59) asserts that

> ...it has become an undisputed tenet of organizational theorists that organizations must adapt to their "external" environments in order to survive. Yet alarmingly little has been empirically resolved about the nature of the organizational adaptation process.

Or as Karpik (1978, 15) says, "All we can say about the environment is that it exists, and that we have to study it." Katz and Kahn (1966, 78) are more certain about the environment and speak of "pressures" in it that generate "task demands which are soon met by appropriate productic) or technical structures" in the organization.

Both theory and research tell us that organizations and their environments must "fit" together. Taking the long-term view, Katz and Kahn (1966, 305) tell us that "the history of organizations (and of nations) is littered with the corpses of enterprises which failed to respond appropriately to the demands of the environment." While one might wonder what an organizational or national corpse looks like, there is no doubt that Katz and Kahn's general proposition has echoes in current theory and research. For example, Marshall Meyer (1979, 14) opens his study of public bureaucracies with a categorical statement: "If there is a single guiding idea in this book, it is that the structure and behavior of public bureaus are largely shaped by environmental forces." Meyer (1977, 35) goes so far as to say, "It may be very useful to think of the environment as that which affects organizations through simple causal processes." Similar views supporting a necessary fit between organization and environment are found in the works of influential theorists such as Scott (1981, 119-20), Litterer (1965, 347, 672-3) and Hall (1972, 346).

Staw and Szwajkowski (1980, p. 65) confirm that "it has been widely posited that there exists an optimal fit between structure and environment" and that it is the environment that is the dominant partner in determining what fits in these interactions. These authors point out that there is also "a second focus on analysis" that has "emphasized the organization's ability to control or change its environment. This second focus is the so-called contingency theory that was developed most notably by Cyert and March (1963) and Thompson (1967). Summarizing Thompson, whose work he calls "perhaps the

most widely read organizational theory nowadays", Meyer (1977, 21) says that contingency theory is about organizations striving for "rationality or something approaching it" by attempting to control the "uncertainty" that is seen as "emanating from the environment." And he adds, "Note the correspondence between what is uncertain and what is external to the organization." Thus in contingency theory organizations are seen as operating "in indeterminate and uncertain environments" but needing "determinateness and certainty because of the imperative to behave rationally."

Zey-Ferrell (1979, p.76) notes that the contingency model "emphasizes the role of administrators in changing the organization to fit its environment, whereas the natural-selection model sees this congruency as a natural survival process." Cyert and March introduce the notion of the organization that takes action against its environment by endowing organization with a personality. They speak (1964, 289) of "the psychology or sociology or politics of choice in complex human organizations" and go on to anthropomorphize the organization by saying:

> It is reasonable to describe an organization as making decisions. As a result, it is reasonable to describe an organization as having goals and as having expectations about future states of the world.

But Cyert and March's vision of the organization hardly makes it dominant over its environment. It is more that shortcomings in the organization prevent it from properly responding to the environment than that the organization actively sets out to influence its environment. This model of organization recognizes that organizations may have ill-defined or even conflicting goals and that their search for solutions will be conducted with the restriction that the problem to be solved will be defined in the narrowest terms and held in a memory that is weak and sometimes erratic. Indeed, Cyert and March (1964, 297) argue that organizations may seek to control their environments by simply forgetting them.

> Just as organizations learn what to aspire for in their environment, they also learn to attend to some parts of that environment and not to others.... Organizations learn to pay attention to parts of their environment and ignore other parts.

J.D. Thompson, on the other hand, emphasizes that the term "organization" is but shorthand for the individual effort that makes the concept real, but he uses this theoretical position largely to make the case for the importance of administrators in organization. Organizations, he says, do not simply adjust to their environments. Someone in the organization must take pains to see that the adjustment occurs. And the people who have -- or who ought to have -- the skill and vision to make the organization fit the environment are administrators. Thompson emphasizes (1967, 148) that

> ...if the organization is not simply the product of its environment, neither is it independent. The configuration necessary for survival comes neither from yielding to any and all pressures nor from manipulation all variables, but from finding the strategic variables -- those which... can be manipulated... [and] will result in a viable co-alignment.

As Thompson sees it (1967, 162), organizations are like recalcitrant children or lazy servants who reluctantly take direction from their master, the environment.

> Complex organizations exist ultimately as agencies of their environments acquiring resources in exchange for outputs and, in the final analysis, obtaining technologies from environments. But... the fact that organizations exist with the consent of their environments does not automatically subject them to societal control.

Ultimately the contingency theory of organizations accepts the idea that organizations adapt naturally to their environments, but it sees the process that achieves the adjustment as problematic. It therefore defines the administrator as another functional variable in the system that acts to ensure that the problems of adjustment are indeed worked out. In this way contingency theory becomes another way of stating the Great Law of Natural Selection and another way of affirming the theory that sees the adjustment

of the organization to its environment as inevitable and largely beyond human control. In contingency theory the consequence of a failure to adapt may not be immediate organizational extinction. Rather, the price that organizations pay if their administrators fail to solve the environmental adaptation problem is loss of effectiveness. If administrators do read the environments of their organizations aright and if they do facilitate the organization in developing appropriate structure and technology, the organization will solve the problem of surviving in its environment and will become effective. The administrator is reduced in this formulation to a single human link between impersonal pressures and uncertainties in the environment on the one hand and rigidities in the organization on the other hand. In the face of this predicament the administrator's task is to mesh the pressures of the environment with the structure and technology of the organization. The notion that an organization loses effectiveness as the price of its failure to adapt to its environment is expressed clearly in the work of Lawrence and Lorsch (1967, 157):

> In this study we have found an important relationship among external variables (the certainty and diversity of the environment, and the strategic environmental issue), internal states of differentiation and integration, and the process of conflict resolution. If an organization's internal states and processes are consistent with external demands, the findings of this study suggest that it will be effective in dealing with its environment.

Statements of this kind may explain why the work of Lawrence and Lorsch has been classified as representing both natural selection theory (Staw and Szwajkowski, 1980, 65; Zey-Ferrell, 1979, 75) and contingency theory (Perrow, 1979, 200). Both kinds of theory are alike in their fundamentals and differ only in the elaborateness of the variables that are seen as bringing about the adjustment of the organization to its environment.

In recent writings by some of the most respected voices speaking for modern organization theory, support for contingency theories of organizations

and environments seems to have collapsed. Organizations are again being represented as overwhelmingly dependent upon environment. John Meyer, writing in summary of the work and views of Marshall Meyer and Associates (1978, 352-3), leaves no doubt that organizations are actors with clearly defined functional roles and structures adapted to meet the rigours of the struggle for survival in a powerful and demanding environment.

> Organizations are affected, constructed, maintained, controlled, and evaluated by their environments. We are concerned, throughout this book, with much more than the traditional closed-systems models of organizations. We go beyond even the more contemporary open-systems models that see organizations as adapted to their environments in complex ways. Our views on the relations between organizations and environments transcend such formulations -- organizations are constructed by their environments, selected by them, and react to the larger features of these environments. Internally, the histories of organizations are in good part constructed by the histories of their environments. In short, a main theme of the studies in this book is that the real unit of theoretical analysis in organizational research is often the structure of the wider environment itself.

Objective materialism is taken close to its ultimate point in this passage. Not only are organizations dependent for their form and function upon their environments: they are dependent upon the history of those environments as well. So history, like environment, is reduced to an objective force with the inevitability and necessity of gravity. There is no suggestion here that history itself is people in action. Nor is there any recognition that what we count as history is itself constructed by human action that answers only to present interest and bias rather than to objective facts laid down in the past by impersonal forces. The individual faced with forces that can determine virtually all matters of consequence in ordered social reality would appear to have few choices left: cultivating the garden in the back yard or sitting with a beer in front of a televised baseball game would seem to be among the chief of them.

The systems metaphor. "System" is the construct underlying most thinking in organizations theory about the relationship between organizations and their

environments. The metaphor of the organization as system requires those who use it to make assumptions of great and fundamental importance: that organizations have a reality beyond the individuals who make them up and that this reality is an objective and naturally arising order subject to laws of action similar to those that govern all other naturally occurring phenomena. The system is real. It is separate from people, but fortunately it can be studied scientifically and the laws so derived can be used to benefit people by making better fits between the "needs" of environments and the needs of individuals.

Bakke (1959, 37) defines social organization as:

> ..a continuing system of differentiated and coordinated human activities utilizing, transforming, and welding together a specific set of human, material, capital, ideational, and natural resources into a unique problem-solving whole engaged in satisfying particular human needs in interaction with other systems of human activities and resources in its environment.

It is clear from this definition that systems are very important to human welfare and that we depend on them to meet our needs and solve our problems.

Haire extends the systems notion to make the organization a biological entity, an organism. He speaks (1959, 304) of

> ...lawful process in growth, their grounding in forces internal to the organization, the relation of the organization to the environment, and the interdependence of size, shape, and function .... Their total growth can be described by relatively simple growth-equations.... The simplicity and regularity of the process lends support to the idea that the growth is lawful and that it is fruitful to search for general principles.

Indeed, in this work Haire speaks of organizations using graphs and charts similar to those used to describe the growth and development of children in child psychology texts.

It is in the work of Katz and Kahn and their text, The Social Psychology of Organizations, that the fullest and perhaps most influential statements of systems are found. They speak (1966, 16-17) of organizations as "flagrantly open systems in that the input of energies and the conversion of output into further energic input consist of transactions between the organization and its

environment." Katz and Kahn (1966, 17) argue that organizations are patterns of bounded activity that are fuelled by "energic input" from the environment. The organization uses this energy and transforms it into a "resulting product or energic output" that is exported again to the environment. For them (1966, 39) "the organization exists in a changing and demanding environment, and it must adapt constantly to the changing environmental demands." The "adaptive structures" of organizations stimulated by the "energic inputs" from the environment result in the growth of elaborate subsystems in the organization that enable it to grow, produce and maintain itself. All these complex substructures are held together in a "unified system or organization" that "generates appropriate responses to external conditions" and ensures that behaviour in the organization is "coordinated, adjusted, controlled, and directed towards the satisfaction of the environmental demand."

Studies that follow closely along these theoretical lines are not hard to find in contemporary analyses of schools as organizations. Bidwell and Kasarda (1980, 194) state that they "view organizational phenomena as means for transforming environmental inputs into outputs" and report evidence (1980, 204) that they have "seen certain ways in which the structure and staffing of school districts appear to transform inputs to school districts into outputs of student achievement." There is no attempt in the research to reconcile its findings with studies that show little or no effect from structure and financial resources on student achievement nor any suggestion that such variables are surrogates for cultural and psychological realities within which teachers teach and students learn. The systems view rules out such realities and encourages the use of abstractions and shaky statistical relationships in their place.

The disappeared individual. The striking feature of modern organization theory and its dominating systems metaphor is that individuals virtually disappear from view as whole, concrete entities. If not more real than

individuals, organizations are seen as more interesting and important than individuals. The organization in its environment is all. The specific, acting individual with flaws and foibles or with plans and powers becomes superfluous and irrelevant to the working out of the grand systems design. Oddly enough, this obliteration of the individual in systems theory is accomplished by seeming to incorporate a psychology of the individual into the theory. This transformation is achieved by relying on Kurt Lewin's famous proposition that sees behaviour as a function of the individual and the situation (environment). This relationship is expressed in the formula, $B = f(P, E)$,[8] or in its form that has influenced administrative theory (Getzels, 1958, 157) as $B = f(R \times P)$.

The way that these formulations have come to be applied in modern organization theory is explained by Argyris (1959, 115) who says:

> In my opinion it is important that needs conceptualized to exist within the personality be also represented in the environment in the concept of goals.

The fundamentally important implication of this deceptively simple statement is that personal needs are to be met <u>through</u> organization as <u>it</u> strives to achieve goals that are prescribed in the environment. Happiness is an organization that links personal needs to goals prescribed in the environment. The validity of this argument can best be demonstrated by reference to the application of this theory in administrative theory. For example, Getzels, Lipham and Campbell (1968) in their respected and widely-used text argue that personal satisfaction arises when the individual feels he or she belongs to an organizational role and feels a sense of identification with the externally imposed goal of the system. When all these forces are aligned, the result is called rational. So they conclude that

> ...when the needs of the individual and the goals of the system are congruent, there is a feeling of *identification* with the system. When the needs of the individual and the expectations of the role-set are congruent, there is a feeling of satisfaction and *belongingness* in the system. When the expectations of the roles and the goals of the system are congruent, there is a feeling of *rationality* regarding the system.

These formulations and all others in systems theory totally avoid the question of where the goals located in the environment and the structure of organizational roles come from other than to claim that they are functional or they wouldn't be there and efficient or they would not survive. In this way the notion of the individual as source of ideas, goals, actions is eliminated from the system. The individual disappears and can be forgotten. What is important is the functionality of the system as a whole. Also important is the matter of the system's adaptation to the environment and its efficiency. If these concerns in the operation of the system are satisfied, the needs of individuals will also be satisfied.

Katz, Kahn and Adams, in their recent work (1980, 7), argue specifically that "there are two forms of error in organizational psychology" and both of them involve recognizing individuals as elementally important in the creation of organizational structure. They insist that the theorists must always approach the individual through structure, never structure through the individual. In dealing with the question of non-conformity in organizations, Leeds (1964, pp. 115) argues that the organization never has difficulty dealing with the individual nonconformist.

> The cleric who waivers *[sic]* from the true path goes on retreat; the maverick army officer is appointed to an innocuous position; the recalcitrant political party deputy is temporarily suspended. If temporary suspension or relegation to an insignificant position does not suffice to curb the nonconformist, he is gradually eased out of the organization.

But a "cohesive conclave" of dissent within the organization is another matter. Looking at the question of deviance and conformity from what I would call the biases of the systems perspective of modern organization theory, Leeds

(1964, 116) sees individual nonconformity as a pathological condition in the individual and group dissent as having its root in structure.

> An individual's nonconformity often as not stems primarily from personality factors although structural determinants do contribute to it. The nonconformity of an enclave, which is shared by all its members, stems primarily from structural determinants rather than personality factors.

Indeed, the literature on conflict in organizations has commonly taken the position that internal conflict is bad because it threatens the survival of the organization in its environment. As Coser (1956, 25) points out, when conflict is treated at all in the literature it is usually "treated as a pathological condition which upsets the normal state of community equilibrium: with the implication that conflict is something to be avoided rather than to be fought out." Coser's solution to the problem of conflict is not to deny it but to realize that conflict too can be functional for the survival of the organization. Following Simmel, he argues (1964, 31) that "conflict is a form of socialization" and that "far from being dysfunctional, a certain degree of conflict is an essential element in group formation and the persistence of group life." Similarly, Kahn sees conflict in organizations as inevitable. He regards conflict as a threat to predictability and dependability in organizations and therefore as a threat also to their effectiveness in meeting environmental demands. Though it may be a solution difficult to achieve, conflict is to be overcome by building consensus, and he argues (Kahn and Boulding, 1964, 7) that the answer lies in a "commonality of goals and values, combined with common perceptions of the situation and its requirements."

To appreciate the full dimensions of the question posed here it is helpful to look well beyond the writings of contemporary organization theorists and to examine the work of Philip Selznick, who wrote in 1948 about "The Foundations of the Theory of Organization". He wrote within the familiar assumptions of structural-functional theory, but he was concerned also

(1961, 29) for "concrete behavior" that he recognized is a "complex vector". The dilemma that he saw in human behaviour was that the "needs of the organism or the social system" require "an inescapable commitment" that may be at variance to the interests and needs of individuals. What the organization "needs" for its survival in an environment may be different from the needs of individuals in theirs -- the organizations they help to realize. Nevertheless, much of modern organization theory wants to assume that what is good for the organization is good for the individual and finds justification for thinking so by making the organization-in-environment the prime focus of its study. Selznick, on the other hand, realized (1961, 30) that organizations, while they are certainly essential tools for solving certain problems for individuals, are also inevitably the vehicle that creates problems for them.

> We are inescapably committed to the mediation of human structures which are at once indispensable to our goals and at the same time stand between them and ourselves. The selection of agents generates immediately a bifurcation of interest, expressed in new centers of need and power, placing effective constraints upon the arena of action, and resulting in tensions which are never completely resolved.... Commitment to dynamic, self-activating tools is of the nature of organized actions; at the same time, the need for continuity of authority, policy, and character is pressing, and requires an unceasing effort to master the instruments generated in the course of action.

Selznick concluded his essay on the foundations of a theory of organization by defining organization as resting on a selective principle whereby commitment qualifies need according to its relevance to the organization as a whole. This argument provides the justification for subordinating the interests of the individual to that of the organization. At least Selznick recognized this dynamic at work in organization and did not disguise it behind a claim that the interests of organizations in environment are coterminous with those of individuals within the organization. He noted (1961, 30) "a persistent relationship between <u>need</u> and <u>commitment</u> in which the latter not only qualifies the former but unites with it to produce a continuous state of tension."

His closing principle for organizational analysis stated that organization defines and legitimizes need according to the structure of the organization. In turn, such structure finds its *raison d'être* within an encompassing ideology that by the very nature of organization demands commitment to it.

> Our frame of reference is to select out those needs which cannot be fulfilled within approved avenues of expression and thus must have recourse to such adaptive mechanisms as ideology and to the manipulation of formal processes and structures in terms of informal goals.

Chester Barnard (1938) is the theorist who most emphasizes the moral quality of organizations, but for him the morality of organization rests upon a spontaneous and natural co-operation among individuals. Perrow (1979, 71) notes that "Barnard was the first to insist that organizations by their very nature are cooperative systems and could not fail to be so." So Barnard emphasizes the co-operative morality of organization, while Selznick and Weber before him point out that the co-operativeness of people in organization is constrained, directed, co-ordinated and subject to the application of power. But the Barnardian view, which has triumphed in modern organization theory, is that people want or need to be co-ordinated and led. In this logic, people have a need to feel commitment and organization, in satisfying its need to survive in its environment, is also acting to meet the needs of individuals within the organization. Perrow (1979, 65) quotes Bendix's summary of the doublethink and incipient totalitarianism inherent in Barnard's co-operative organizational morality: "People are tractable, docile, gullible, uncritical -- and wanting to be led. But far more than this is deeply true of them. They want to feel united, tied, bound to something, some cause, bigger than they, summoning them to significance in living."

In somewhat subdued forms, Barnard's call for a co-operative morality is reflected in contemporary prescriptive statements about the design and management of organizational affairs. These prescriptions commonly call for

co-operation and commitment among members to increase their effectiveness and to ensure the organization's survival in environments that may be quiet or turbulent, but never irrelevant. Litterer (1965, 337-8) describes the "organic organization" as one that successfully solves problems posed by its environment and claims that such an organization is characterized, among other features, by the quality of people's commitment to it.

> People are committed to the organization's task and "techno-logical ethos" of material or service progress and expansion rather than to loyalty and obedience. They would not say, "my organization, right or wrong", but rather, "my organization, I want it to be right."

What more could any organization want than members who want their organization to be right and strive to make it so?

In somewhat muted form, Litterer's statement reflects Barnard's overriding concern for organizations as domains of co-operative action. Such views must raise as well Selznick's concern for the organizational dynamic that selects and demands those kinds of commitments from people in the best long-term interests of the organization on the grounds that these interests are parallel, if not identical, to those of individuals. As Jules Henry has observed, the rational organization does not want whole people, only parts of them -- the parts that serve the organization's best interests. It is with such logic forged in the dynamic of commitment to organizational purpose that individuals find their interests submerged by organizational theory into those of the organization itself. In this theory individual needs are tempered always by organizational necessity. In this way modern organization theory causes the individual to disappear behind the central concern of such theory: the determination of the rules for survival in the spectacular confrontation of organization and environment. The alternative theory holds that this concern in modern organization theory is wrong, misplaced and obsessive. These shortcomings in the theory arise from a mistaken belief that organizations can be

separated from human action and that the reality of organization and environment is the product of objective forces that can be understood, tamed and turned to good ends.

Criticisms of Organization Theory

The need for an alternative to the conceptions that now prevail in modern organization theory is apparent both from inconsistencies in the theory itself and from the ever-widening array of phenomena that are patently inconsistent with it. The intellectual stumbling-blocks that the prevailing theory has never been able to overcome are numerous, as the foregoing critique has argued. Some additional critiques are worth mentioning because they help to define as well the nature of the alternative theory. These critiques concern first the problem of where to draw the line between organization and environment, second the difficulties created by conceiving the organization as machine or organism, third the failure to allow for human agency, and finally the obliteration of values from questions about the management and operation of organizations.

Modern organization theory cannot say where to draw the line between organization and environment. The decision that draws it in one place rather than another is inevitably arbitrary. As Perrow (1979, 218) points out,

> Galaxies and cells aside, we do not know where to either begin or stop. Can you analyze the division without analyzing the organization it exists in or the departments without the division? ...The general rule that most social scientists follow is that whatever "level" is selected as the unit of analysis -- say the group -- we had better make at least a cursory examination of the levels above it (department) and below it (the individuals).

Noting Boulding's suggestion that systems theory is the framework or skeleton key for all science, Katz and Kahn (1966, pp. 30, 18) define organizations as patterns of energy resulting in "some output" that reverts to energy to reactivate the cycle. Lines of definition so encompassing end up

explaining everything and therefore nothing.

Modern organization theory endows both the organization and the environment with power to act. As Perrow (1979, 238) again points out, "The language of this school of thought is decisively anthropomorphic: environments act, organizations respond; environments select some organizations for extinction, and allow others to survive." Such theory also absolves individual actors from responsibility for what they do in organizations; and it absolves the organizations of responsibility for what they do to individuals. Organizations demand commitment and obedience and Barnard calls the result a co-operative enterprise founded on moral principles. But as Hodgkinson (1978b, 163) says, "Obedience and compliance can be construed as a way of abdicating responsibility." A long line of feckless administrators from those who slew Caesar to Eichmann, Klaus Barbie and beyond have used the organization's requirement of commitment and obedience to excuse and justify actions they would hardly take as individuals.

In the face of the logic that speaks of an acting environment and a responding organization, Perrow (1979, 242-3) asks whether the worker who loses a job should say: "I was fired today by the environment" or whether the worker would be better advised to think in terms of what other specific, self-interested people within the organization have been doing recently. For example, the Iron Ore Company of Canada recently blamed world-wide recession when announcing that it was going out of business, thus leaving the entire inhabitants of a one-company town in Northern Quebec to fend for themselves. In responding to environmental press the Company managed, however, to dispose of its liquid assets amounting to many millions of dollars to shareholders and subsidiary companies before firing its workers with an

announcement regretting the abruptness and finality of the notice. Perrow gives other evidence of corporations that have profited as their employees have absorbed the costs of organizational mistakes. The view of the organization as organism or machine allows us to look on the sorry or sordid details of what actually goes on in organizations and think that they are simply steps towards the improvement of this best of all possible organizational worlds. Indeed, as Perrow says, the view that sees organizations as natural entities enables us to think of the outcomes of organization-environment struggle as divinely intended. "It is almost as if God does the negative and positive selecting."

Human agency virtually disappears from organizations in modern theory about them. Among such theorists, Thompson (1967, 99) is virtually unique in addressing the question of what links the concept of organization with the fact of individual action. After speaking of organizations and of the dynamics that govern their behaviour, he adds: "But of course they do nothing except as individual members within them act", and he turns to consider the behaviour of people "in and around organizations". The result is disappointing as he reverts immediately to speaking not about the concrete realities and specific actions of people, but rather about the generalized character of individuals that turns out to be indistinguishable from the general properties he had already postulated as organizational. Similarly, Katz and Kahn (1966, 15-16) are at pains to demonstrate the fallacy of equating the purposes or goals or organizations with the purposes and goals of individual members and they leave no doubt that it is the purposes of organizations that count.

> Though the founders of the organization and its key members do think in teleological terms about organizational objectives, we should not accept such practical thinking, useful as it may be, in place of a theoretical set of constructs for purposes of scientific analysis. Social science, too frequently in the past, has been misled by such short-cuts and has equated popular phenomenology with scientific explanation.

By denying the agency of the individual, modern organization theory has reduced its focus of attention to the narrow scope that permits organization to be seen as a mechanical-rational-technical matter. Critics such as Benson (1977), Bates (1982; 1980), and Ramos (1981) refer to such theory as parochial, mechanical, ethnocentric, and blind to the ideology implicit in its assumptions. But the essential point to be made here is that in denying the creative role of the individual in organization, modern theory is blind also to the very dynamic that makes the organization. Indeed, individuals do not just make the organization, they are the organization. Ramos (1981, p. 171) makes this point succinctly:

> The old theory implies that production is only a technical matter. However, the fundamental assumption of the new science of organization is that production is both a technical and moral issue. Production is not only a mechanomorphic activity; it is also an outcome of men's creative enjoyment of themselves. *In a sense men produce themselves.* [Emphasis added.]

The final argument to be raised here against what I have called modern organization theory in this paper and against what Ramos refers to as "the old theory" is this: whether old or modern, the theory that regards organizations as mechanisms or organisms subject to natural laws and separable for individuals is blind in the face of values. Indeed, it aspires to the status of science by excising all matters of value from consideration. The basis of the dilemma in administrative decision-making lies in the inevitable interweaving of fact and value in the decisions that face administrators. Simon (1945, 65) argues that the guiding criterion in administrative decisions must be "the attainment of maximum values with limited means." With this criterion, an intractable problem of fact and value arises. Simon notes that, while facts can be true or false as determined by scientific inquiry, values can only be good or bad and are therefore beyond scientific validation. He argues (1945, 56) that whereas a "factual proposition" is validated by "agreement with the facts",

a value judgement is validated by "human fiat". His devotion to logic and rationality force Simon to side with verifiable facts and to eliminate values as a proper study in the science of administration. He takes this stand although he recognizes that facts cannot be readily separated from values and that a decision based on facts alone is likely to be trivial or irrelevant. He states (1945, 46) that "it is a fundamental premise of this study that ethical terms are not completely reducible to factual terms." While he acknowledges (1945, 56-7, 176-7) that values are never separable from facts in organizations and in the administration of them, his solution to the problem is to leave the setting of values to democratic action and to assign to administrators the task of finding the scientifically founded factual propositions that will permit those values to be realized with minimum effort. It is to be doubted that Simon ever solved this problem.

The solution that modern organization theory offers to the fact-value problem is to eliminate values from the model of the organization. Or rather, it is to eliminate all values except those to be assigned to efficiency and to the survival of the organization in its environment. From that point onwards, the theory succeeds in eliminating values by regarding the nature of organization and environment as a natural matter. In seeking to discover laws that govern the operation of organizations in nature, the theorists would argue that they are dealing with descriptions of what is, not with prescriptions of what ought to be. Ramos (1981, 59) argues that this kind of thinking reduces organization to a "mechanomorphic entity" in which action is reduced to cause and effect -- a billiard-ball world in which all outcomes are perfectly determined by known forces. The result destroys human intention, will, choice and liberty as well unless, as Ramos points out, you agree with Hobbes who equates liberty with necessity. For Hobbes, "Liberty is the absence of all the impediments to

action...as for example, the water is said to descend freely, or to have liberty to descend by the channel of the river, because there is no impediment that way, but not across, because the banks are impediments." In Hobbes's view, not even God can escape the logic of mechanical necessity and so He can will nothing but what has to be. Ramos (1981, 60) concludes by saying:

> This is tantamount to saying that God and human beings do not act. They can only behave. The world unfolds according to a blueprint established once, and for all eternity.

In such thinking we see, too, the vision of order offered us in modern organization theory: organization is an entity powered by its own dynamic and subject to its own logic and rules -- like the spaceship in 2001 where men may attend the monster but hardly hope to influence its course or decisions.[9] The choice that faces organization theorists is whether to admit choice, free will and values into the model of the organization and administrative action within it. The road taken by Simon requires that fact and value be separated, as best they can be, and that administrators busy themselves with the factual foundations of the choices that face them, since these are open to scientific validation. In this conception, organizations become machines and administrators are reduced to technical advisors or assistants who keep the machine oiled and in good running condition. What the machine is to do or whether it is to run or not to run would, of course, be value questions beyond the proper scope of administration.

Many theorists and researchers have followed in the direction pointed by Simon. Hage (1978, 104) suggests that "studies of organization environment have been plagued by too few theoretical concepts." He therefore sets out to solve the problems of organizational analysis with an effort (1978, 141) "to greatly proliferate the number of variables that are used to describe organizational environments." Accordingly, he generates some fifty variables,

none of which deal with anything but the supposedly factual, structural features of organizations and their environments. The individual is barely reflected in these variables and matters of attitude, value and choice make no appearance in them at all. His ultimate solution to the problems of organizational analysis is to reduce history to mathematics -- a task of towering impossibility that Hage (1978, 105) regards as surprisingly simple. "There is actually", he says, "more affinity between history and mathematics than appears at first glance." Once values, motivation and passion have been removed from history and the administrative process, the task of reducing them to numbers is apparently light work to the modern organization theorist.

The alternative approach advocated by Hodgkinson (1978b, 48-50) recognizes that values are inherent in even the most basic acts of decision. In this vision, there can be nothing in the organization or in administrative action within it that is not touched by value questions or that is not suffused with human will, intention, bias and fallibility.

Some Empirical Observations on Organization and Environment

This is not the place to review the salient research on organization or to ask whether it supports or fails to support the propositions laid down in modern organization theory.[10] I would like to suggest some empirical evidence that elaborates the argument that I have made up to this point only in broad theoretical terms.

Near the end of their substantial book, Katz and Kahn (1966, 303-5) ask why it is that an organization with all its structures, functions, sensing apparatus and dynamic equilibrium ever gets out of kilter with its environment. As evidence that they recognize things can go seriously wrong in organizations, Katz and Kahn cite the case of a switchman who was observed as he allowed freight cars in a switching yard to crash into each other at speeds far greater

than those envisaged by his employers in the railroad. The switchman's work-place was an isolated tower that happened also to be made hot by the sun flooding in through unscreened windows. But presumably only the switchman saw the devastation that improper equipment was wreaking on cargo in the colliding cars. In answer to an observer who asked why he did not report the equipment failure that was so apparent before him, the switchman replied:

> I've been trying for six months to get a Venetian blind for that window. They told me that my job was to switch trains, and they would make decisions about equipment. When they get around to that blind, I may get around to telling them about the relays in those braking controls.

According to Katz and Kahn, this incident is evidence of "the incompleteness of organizational design". This insufficiency does not cause them to question the theory they espouse but rather serves as reason for elaborating the design. It is evidence of another functional requirement in organizational design. This account and their discussion of how things go wrong in organizations is included under the heading: "The Need for Leadership". The problem illustrated in the case is to be solved by adding greater elaboration to the organizational design rather than by trying to understand the organization as specific individuals with different perspectives see it.

Even when they are looking at the physical environment around them, different people are likely to see different realities. Acid precipitation (so-called "acid rain") has been a feature of the environment for some years in North America. This "fact" is appreciated in very different ways by different people, with a notable difference being marked by the border between Canada and the United States. Canada has most of the lakes into which the precipitation falls with deadly results; the United States has most of the industry that is suspected as the source of the acid in the precipitation. Awareness of the "problem" has long been higher in Canada than the United States. Recently

business leaders have taken a stand, saying that acid rain was "no drastic issue". After two and a half years of studying the "problem", a panel of scientists drawn equally from Canada and the United States was unable to agree on what conclusions were to be appropriately drawn from the evidence before them. The Canadian scientists concluded that a fifty per cent reduction in acid-producing industrial emissions was called for, while the American scientists concluded that there was insufficient evidence to require any action. The Canadian Minister of the Environment examined the three-volume, 1,000-page report of the research panel and found it "inexplicable" that the American scientists would not join the Canadian scientists in their conclusions and recommendations. American authorities had no comment on the report or on the variance in opinion it contained.[11] This example illustrates that both organization and environment depend in substantial measure on subjective perception and evaluation of what is real.

In his article, "On Being Sane in Insane Places", Rosenhan (1980) offers startling evidence of the uncertainties involved as organizations accept "energic inputs" from the environment and return finished products to them. In the design of the reported experiment, eight sane people were admitted on separate occasions to twelve different psychiatric hospitals after presenting themselves as persons who had been hearing voices. When asked what the voices said, the pseudo-patients were to reply that they said "empty", "hollow" and "thud" -- caricatures of alienation and anomie in modern society. These symptoms are remarkable for the fact that they have never been found in any case of existential psychosis reported in the literature. The length of time these pseudo-patients stayed in the hospitals varied from seven to fifty-two days, with the average being nineteen days. All but one of the pseudo-patients were admitted to hospital with a diagnosis of schizophrenia and all were discharged with a diagnosis of "schizophrenia in remission" despite the fact that their behaviour in hospital was consistently happy, co-operative and "normal". With the exception that

they took notes on what was happening to them in hospital, the pseudo-patients' behaviour in hospital was essentially that which might be expected of any "sane" person. Other patients frequently spotted the pseudo-patients as fakes and often voiced their suspicions vigorously, saying (Rosenhan, 1980, 82) "You're not crazy. You're a journalist or professor"(referring to the continual note-taking). "You're checking up on the hospital." To the psychiatrists in the hospitals, the writing of the pseudo-patients was seen as further evidence of psychosis. One wrote (Rosenhan, 1980,84): "Patient engages in writing behavior" in the file, and another told a pseudo-patient who wrote down the name of a drug he was given: "You needn't write it. If you have trouble remembering, just ask me again."

It is possible to read the example of this case as evidence for the efficient working of a systems model of organization. The inputs, transformations and outputs are all apparent. As organizations, the psychiatric hospitals appear to be in a satisfying equilibrium with their environments. From the perspectives of particular patients subject to classification with a label that could mar the rest of their lives, the results suggest not a well-working system but arbitrariness, and the creation of organizational reality out of subjective knowledge, personal values and mind sets. It is only if one asks: "What is sanity and insanity?" or one asks: "By what values and criteria are sanity and insanity to be known?" that something profoundly disturbing appears from this case. Such questions are substantive, value-laden and philosophical. They challenge the fundamental purposes of the organization and the accepted rationality on which it operates. Such questions cannot be raised within a theory that objectifies the organization, separates it from the actions of individuals and focuses obsessively on its adaptation to a supposed external environment.

Research reported by Staw and Szwajkowski (1980) looks at organizations in environments and puts forth the astonishing proposition that the morality of organizational action depends upon forces acting on the organizations from their environments. They test the hypothesis that the scarcer the resources are in the environment of an organization, the more likely the organization is to engage in illegal acts, unfair market practices or restraints of trade. After searching through arrays of data with a barrage of sophisticated statistical techniques, the researchers emerge with a number of variables that reduce values to facts and with a set of relationships between environmental pressures and moral action that may or may not be causal. Their study supports the hypothesis (1980, 71) that "environmental munificence influences the commission of illegal acts". This is the modern expression of Hobbes's view that liberty is necessity. It is the system here that acts, not individuals. Here environment is capable of doing more than merely firing workers when their organizations make the error of producing cars that the environment rejects. Staw and Szwajkowski go much further and advance the thesis that the environment can make people evil by reducing the resources available to organizations. Technically this proposition might be stated as: the greater the pressure of scarcity in the environment, the more evil the organization. Its corollary would be: a munificent environment makes good organizations and good people in them. A glance at the history of human affairs from the death of Socrates to Watergate and the contemporary politics of oil prices should be enough to establish the inadequacy, if not the foolishness, of such propositions.

The Alternative Theory

In concluding this paper, I will offer an outline of the theory of organization that is alternative to the one that has come to be called modern organization theory. The outlines of this theory will already be apparent from

the arguments offered in this paper in critique of modern organization theory. I will keep this outline of the alternative theory brief, partly because so much of the discussion in the paper has anticipated the major points of the outline and partly because I have already developed substantial statements of the theory in other writings (Greenfield, 1980, 1982). In making this outline, I will try not to overlap with earlier statements while giving the basics of the theory and adding some new points or fresh perspectives on the older propositions.

The basic elements of the alternative theory answer the four questions that were posed at the opening of this paper. Such answers as I may give now will come as but small surprise, if any, to those who have followed the gist of the argument offered in the main body of the paper. The answers can be given briefly as follows.

First, organizations are people -- nothing beyond them, nothing less. For the most part, when people in organizations relate to the world about them, they are not dealing with a cohesive and objective force called the environment, but with more people in other organizations.

Second, what appears as organization is a totally human artifact and, like a stage set, is more illusion than reality. Those who conjure with that illusion as though it were an independent reality, existing naturally and with a life of its own, do so at the price of dehumanizing organizations.

Third, power arises from relationships among people who are doing things together. The person who conceives and initiates the action wields the power, while the persons who consent to, become involved with, or merely acquiesce in the action generate the power. Power created in this way is never absolute, for consent given can always be taken away, though the cost of such withdrawal can be terrible for the individual.

Fourth, the world of values is inside us, deep inside us. Values are the ultimate subjective reality. They have no presence whatsoever in what we

call the objective world. Because organizations are people bearing their own meanings and trying to impose them on others, our organizations are suffused with values and they, too, are inevitably and irretrievably subjective.

These answers deserve brief expansion before the paper concludes.

Organizations are in people. Organizations are people. What we call the environment, if it is not the physical world, is simply other people in other organizations -- or, most simply, other people. It is possible and indeed necessary to speak of the concept of organization. We make a major error if we think of that concept as representing a natural entity existing beyond human action and subject to human control only by the mastery of laws that govern natural entities of all kinds. The error lies not only in the objectification of what is personal and human. It is found also in the search that imposes an obsessively narrow vision of scientific truth on the exploration of subjective realities. It is found in the common attempts of positivist researchers who use systems theory or organic models of organizations to explore subjective realities with methods that are logic-tight and fact-driven but bereft of human values and meaning.

These ideas are the great legacy of Max Weber, whose misfortune is to be known in modern organization theory as a proponent of bureaucracy and rational authority when in fact he regarded these phenomena as mere technical issues embedded in ideas that addressed the major social, political and methodological problems of understanding power in organizations and of interpreting social reality generally. Weber's works (1947) are readily available for those who want to avoid the distortions of them in modern organization theory and a number of commentaries on his ideas give useful overviews of their meaning and significance.[12]

Foundation blocks in Weber's theory of organizations and in his methodology for inquiry into them are individuals and their subjective

understanding of reality. For Weber (1947, 88, 101), both individual action and organizational reality were to be understood from this perspective.

> In 'action' is included all human behaviour when and in so far as the acting individual attaches a subjective meaning to it.... Action is social in so far as, by virtue of the subjective meaning attached to it by the acting individual (or individuals), it takes account of the behaviour of others and is thereby oriented in its course.... It may be convenient or even indispensable to treat social collectivities, such as states, associations, business corporations, foundations, as if they were individual persons.... But for the subjective interpretation of action in sociological work these collectivities must be treated as *solely* the resultants... of the particular acts of individual persons, since these alone can be treated as agents in a course of subjectively understandable action. [Emphasis in the original.]

Weber stands for the individual and for the subjective understanding of reality in organization. Such a stance places him in opposition to the assumptions of modern organization theory that sees reality in the collectivity and ignores for the most part the actions of individuals.

Organizations are social inventions. We go to the theatre to see a play about life. The lights dim and the curtain rises. We know that these are actors we see, playing roles. We know that the actors have climbed into costumes shortly before the performance and applied make-up to their faces. We know that the scenery is paint on canvas or a few boards hammered together and finished on one side only, with the whole scene bathed in light to give it the appearance of something else. We know that what happens has been set down in a script and we may know what is to happen almost as well as the actors. Yet we go along with the trick and will ourselves to believe, we suspend our disbelief, so that we can be entertained, enlightened, and sometimes deeply moved. We make theatre into life by believing the illusion before us. More importantly, we also make life into theatre by believing that illusion.

Jaques is the participant-observer and fool in As You Like It. With ironic detachment he watches the comings and goings in the Forest of Arden (actually not a forest, but we can even accept bare boards as being one if we will).

Jaques then tells us:

> All the world's a stage
> And all the men and women merely players:
> They have their exits and their entrances;
> And one man in his time plays many parts.

Shakespeare's metaphor makes the world into a theatre and makes what happens on its stage into a play. This is the force of the alternative theory that sees organizations as a constructed social reality. We will them to be true in the same way we will the stage presentation to be "true" so that it can amuse or instruct us. The playwright's script takes on life in an act of social creation and social construction. Actors, roles, costumes, lights and scenery come together in a production before an audience where the illusion is accomplished as a reality. Organizations are similarly constructed, but here the audience is also the cast and the performance never ends, except for individuals who, like Macbeth, may cry:

> Out, out, brief candle!
> Life's but a walking shadow, a poor player
> That struts and frets his hour upon the stage
> And then is heard no more.

Or with Prospero:

> Our revels now are ended. These our actors
> As I foretold you, were all spirits and
> Are melted into air, into thin air:
> And, like the baseless fabric of this vision,
> The cloud-capped towers, the gorgeous palaces,
> The solemn temples, the great globe itself,
> Yea, all which it inherit, shall dissolve
> And, like this insubstantial pageant faded,
> Leave not a wrack behind.

A play given in a theatre is an artifice. The performance depends for its effect on the willing acceptance of an illusion by actors and audience alike. The more deeply the actors take on their roles and the more empathetic and accepting the audience is, the better and more convincing the performance appears. So, too, what we recognize as organization is a constructed reality, a social invention and an illusion. This argument does not claim that physical reality

and technology have no bearing upon what we see as a theatrical performance or a socially constructed organization. Lower levels of reality are caught up into the presentation of the higher levels of social and personal reality. Stage equipment, costumes and props are always necessary for a theatrical performance. What can be constructed on the stage of a small, provincial theatre will necessarily be less complex in texture and less marked by the contrivances of theatrical equipment than performances in a large metropolitan theatre. But the quality of these performances and their power as illusions depend not on the manipulation of physical reality nor upon the technology available to the performers, but upon the insight of the playwright and its projection by skilled actors to an accepting audience.

Organization is not a system, a structure or a need-fulfilling device. It is a constructed social reality or illusion that is man-made, man-maintained, and with no power to act beyond the action of specific, concrete individuals. Having constructed the illusion of an independently existing organization, man is quite capable of responding to the illusion as though it were reality. This capacity of people to construct their world and then regard it as independent and objective explains why illusion and reality are often the same thing in social affairs.

These arguments for organizations as constructed social reality stem from a long tradition in intellectual thought. They are not a recent invention, but it is significant that modern organization theory takes no account of them. Those who are not convinced by the propositions I have advanced here and supported only with analogies to theatrical performance and poetic metaphor should examine the long tradition of thought in European philosophy and social science upon which these ideas rest.[13] This line of thought has an American tradition too, as soon in the work of Mead (1956) and Goffman (1959). In commentary upon Mead (1956, xi) his editor, Strauss, explains that Mead "retains the romantic

idea that the organism is an active agent rather than a passive recipient of external stimuli. His central thesis is that action ('the act') determines the relation between the individual and the environment." In developing his own approach to organizations as theatrical show, Mangham (1978,22) uses Goffman's "openly theatrical" approach and relies on his arguments that "each actor 'performs' or puts on a show for the other and that in so doing he utilizes 'routines', 'parts', 'settings' and 'props'". Victor Thompson (1965, 138-139) also speaks of organizations as being created through dramaturgy and argues with Goffman that we cannot avoid managing the impressions we give each other.

> We must try to control the information or cues imparted to others in order to protect our representations of self and to control the impressions others form about us. We are all involved, therefore, in dramaturgy.... Students have in the past been interested in the technical, the political, the structural, and the cultural aspects, but not this. We believe that dramaturgical behavior in the bureaucratic organization is structurally related to its other and more familiar aspects.

Dramaturgy is relevant to more than the microcosmic world of gestures, facial expressions and interpersonal relationships that are the stuff of Goffman's concern. Dramaturgy is relevant also to major social and political issues in organizational analysis. Perrow (1979, 213) concludes that "new technological developments do not determine cultural outcomes." He finds, rather, that people in organizations act (in the sense Mead uses this term) to shape the culture and environment they desire by appreciating the possibilities of technology and using it in ways that depend on human meaning and purpose rather than on characteristics inherent in the technology itself. Similarly, John Meyer (1978, 365) finds that what we see as the adaptation of an organization to its environment is better understood as "political agreement and social definition negotiated between organizations and their environments."

To place such statements firmly within the alternative theory, it is necessary to recall only that organization is another word for people doing,

creating and performing -- another word for people living their lives in context with other people. And environment, of course, is another word for organization. While the physical world is out there (as far as we can tell), the social environment is in other people, even as organizations lie within ourselves.

Power arises between people. Power lies in relationships among people. Organizations are expressions of these relationships and are therefore instruments of power. The organization is a tool that enables (more or less) some people to do what they want and that requires others to participate in the realization of others' desires, wants, beliefs and purposes. In this sense organizations are tools for action. They do what some people want to see done and they do it by enlisting or compelling the participation of individuals so that their efforts and talents produce what other people want. Power is the mobilization of individual effort and talent in pursuit of someone else's interest or bias.

Weber's view of organizations (Giddens, 1972, 55) is that they are hierarchical power relationships among people. As Perrow (1979, 87) states the Weberian view, organizations are "imperatively coordinated systems of human effort..., a powerful tool in the hands of the state and the private corporation that was based on domination, legalized and rationalized."

Organizational power arises from the commitment of people to someone else's purposes. Power is the soul of organization just as organization is the soul of politics. Or, in Schattschneider's dictum (quoted in Lukes, 1974, 16):

> All forms of political organisation have a bias in favour of the exploitation of some kinds of conflict and the suppression of others, because *organisation is the mobilisation of bias.* Some issues are organised into politics while others are organised out.

Power arises from relationships among people oriented to greater or lesser degrees around someone's purpose. The power of the grouping does not arise because an external agency, the organization, devolves it to such

people, but because they in their relationships to each other create the power. They do so by acting in concert to bring someone's desired state of affairs into a reality. Those who strive to realize the desired state are powering the organization by their action while the person whose desire is fulfilled -- if only partly or temporarily -- is said to wield power. Power lies in action or the possibility of action. It is seen when people do what some else wants them to do, whether they do it out of fear, love, calculation or ingrained habit.

Organizations are realized through massed hierarchical power. They are tools for achieving the ends of those who enjoy a perceived right to command others, whether that right rests on force, tradition, election, appointment or personal choice. Organizations are conversely enfeebled to the extent that individuals decide to withdraw their powering from them. The display of organizational reality and the show of power require of organizations' members their acceptance of, or dedication to, or mere acquiescence in the plans, purposes or intentions of someone else. As Nyberg (1981, 53) points out, organizational power is always subject to control by withdrawal of consent. Power may be opposed by other power. But its most effective opponent, as Gandhi showed, is found not in the clash of one violent power against another but rather in the non-violent opposition of those who question and reject the authority of those who have directed and controlled their lives. When people in a mass will no longer be governed, they cannot be governed, even though the power that would govern them is supported by the ultimate weapons of the state -- propaganda, thought control, physical force, military equipment and police violence. This truth is the lesson to be read in the fall of the British raj in India and the collapse of the Shah's régime in Iran. Both imperial powers were destroyed by the withdrawal of consent by those whom they were accustomed to govern. Like beached whales, these powers watched helplessly as their authority ebbed away with the slow but perceptible inevitability of a tide withdrawing. The

withdrawal of consent is, of course, an organized action; it is political in character and is itself simply power in another guise -- but always rooted in the actions of individuals.

Cartwright (1959) has called power the neglected variable in social science. He has made the point also that social psychologists cannot deal with the central issues in their field without getting involved with matters of power. Twentieth-century social scientists, he says, have been "soft" on power. In a paper remarkably out of temper with its time, Cartwright (1959, 2) found that social scientists evaded the central issue in their field by studying it in safe or weak populations such as chickens and children. He points out more importantly as well that they have evaded the issue by converting the naked fact of power into anaemic variables describing surface characteristics rather than the heart of darkness.

> Thus, there is more interest in authoritarianism than authority; expectations are made the critical element in the notion of role rather than behavioral restrictions or compulsion; prestige is studied because it can be investigated apart from any specific situation of interpersonal interaction and influence.

The reason for the neglect of power in social science is not difficult to explain. Cartwright points out that the domain of social psychology was explored in what he calls the "metaphysical epoch" of its history and its central problems defined by the middle of the nineteenth century. Cartwright (1959, 1) also notes that "the classic reference is Hobbes who in 1651 analyzed the motivation for power and some of its social consequences." The reason contemporary social science has been unable to come to terms with power is readily apparent in the history of the field. The failure flows from the shift of concern in the field from substantive issues to a narrowly defined scientific method claiming to be the only path to objective truth. In contrast to the early social scientists who dealt squarely with the nature of power, Cartwright

(1958, 1) found that:

> Today, in sharp contrast, the spirit of positivism holds sway, and the only problems deemed worthy of attention are those susceptible to objective observation and, preferably, quantification. But this gain has not been made without cost, for scientific status has been achieved by neglecting any phenomena which do not lend themselves readily to the operations of science.

Although Cartwright made this analysis of the neglect of power in social research thirty years ago,[14] the situation and the reasons for it are little changed in the contemporary scene. The same neglect of power has long been apparent in the field of organization theory where systems theory and research, wearing the blinders of positivistic truth-making, advance unchallenged claims about the natural adaptation of organizations and environments. Such theory and research, as Nyberg (1981, 63) points out, largely omit considerations of power, particularly with respect to schools and education. "One is more likely", he says, "to hear singing in a bank than serious talk of power." In modern organization theory there is no need to speak about power and the relationships among people that give rise to it. Rather, power is subsumed under and held to be inherent in the natural working of organizations responding to their environments. In dealing with the natural structure of organization and its relationship to environment, power is assumed to be accounted for by abstract patterns of energy exchange across imaginary boundaries; concrete individuals and their motivations for action are never mentioned.

Explaining the non-appearance of the idea of power in contemporary organization theory, Marshall Meyer (1978, 16) tosses off an astonishing observation as though it were of little consequence:

> Individuals who control scarce resources and sources of uncertainty assume power over others despite procedural safeguards intended to minimize such outcomes. This perspective on power is very much social psychological in that it identifies attributes of people -- mainly, their positions and access to resources -- but not organizational

> characteristics that stimulate or attenuate unplanned power relationships. Interestingly, economists have been as attentive to nonrationalities in organizations as sociologists. The term *power*, it should be noted, is not often used in the economics literature on organizations because power relations are considered to be only manifestations of opportunism, subgoal pursuit, or suboptimization.

There it is, as Cartwright described the situation thirty years ago. Power is not dealt with as power, but as surface characteristics of individuals. Power is seen as that which escapes the rationality and control of the organization. Even allowing the idea of power that much foothold in organizational reality is stoutly resisted and, faced with evidence that power of individuals can stand at variance to the grand design of the organization as a whole, the economists insist that there must be elements of structure located in subunits, subgoals or suboptimization that account for what would otherwise have to be acknowledged as power residing in individuals and their wilful choices or murky drives. The most potent rejection of the idea of power and the most telling denial of the importance of individuals in organization is seen in this passage when Meyer designates manifestations of power as displays of illogic and morally reprehensible behaviour. The view implicit in the passage regards power as the dark side of human nature that must be redeemed by organization. Meyer and the social scientists whose work he is reviewing speak of power as lodged in nonrationality if not irrationality, and as constituting opportunism if not positive evil.

Another reason for the non-appearance of power in discussions of organization theory is that power is associated with evil. Consideration of power requires a hard look at philosophy and values -- topics that those devoted to the methods of a putatively objective science often feel uncomfortable with because science is supposed to deal only with facts. For dealing with power as the prime instrument of princes and administrators, Machiavelli suffered history's judgement against him. Socrates felt power could be

redeemed only by wisdom and justice. And arguing that popes and absolute monarchs should be held responsible for their evil deeds, Lord Acton formulated his famous dictum that "power corrupts and absolute power corrupts absolutely." Nyberg (1981, 42), however, argues that power is inherent in the human relationships and that it arises from the very circumstances that lead people to want to be with each other and to do things within those relationships. He points to two basic human traits:

> One of these traits is the emotional disposition *to be related* with others in a bond of affinity; the other is the need *to be able* in accomplishing plans. The first is called love, the second power. In this view love and power are connected, not as opposites, but as the basic human elements in organized social life. Great acts of love, as well as acts of other kinds, depend for their realization on power.

There are those, claims Nyberg (1981, 88-89), who will deny that power is power when it rests on willing consent and informed judgement. In those circumstances, they see not power but legitimacy and authority. But power is power whether it rests on consent given freely or upon coercion. Power is what holds any normative order together; it is the glue of organization. Power requires consent of those who participate, but consent may be bought, inspired or forced. As Nyberg (1981, 89) says:

> We foolishly think that power has been purified by baptism as "authority", that power itself no longer exists in the new consecration..... Authority is simply power that is respectable, or acceptable, to those who delegate it in the first place and who then consent to it. Authority remains just as vulnerable to the withdrawal of consent as other kinds of power. All power is contingent on consent; authority is contingent on respect in addition to consent.

It is clear that a consideration of power in organization leads inevitably to the question of values.

Values are pure subjective reality. What makes power good or bad is not power itself but the ends to which it is put and the manner in which the power is sustained within the organization. This journey in search of an

understanding of organizations in environments ends with a consideration of values -- the ultimate subjective reality. What then becomes clear is that it is impossible to consider values in organization and environment if these entities are built on theoretical foundations that separate them from human purpose and human action. Values can appear in organizational action and reality only if the individual too has a place there. And to allow the individual into the consideration of organization and environment requires an acknowledgement of the individual's perspective and subjective appreciation of reality, for these are the only grounds in which values exist. We cannot find them in the natural world around us,[15] only in the non-natural order that man creates and in the beliefs, attitudes and appreciation of self and others that shaped the formation of that order.

The very basis of value is man acting in the human condition. Mangham (1978, 10-11) argues that humanism is the polar opposite of systems theory in that it places individuals at the centre of events and makes them creators rather than responders. He points out that this principle is of ancient standing. Certainly it could not be stated more clearly or strongly than in the proposition Protagoras formulated in the fifth century B.C.: "Man is the measure of all things, of things that are that they are, and of things that are not that they are not." Or, in the words of Hamlet two millenia later: "There is nothing either good or bad but thinking makes it so." While these ideas affirm that subjective appraisal is the essence of human action, they do not deny action in an objective world. They do require, however, that truths about the human condition -- whether they are said to rest on insight or science -- take into account those subjective appraisals. Truths that lack this dimension can only exist apart from the human condition and can have no practical meaning in the everyday affairs of people.

Two propositions are of great importance in considering the place of values in organizations and administration. The first proposition holds that values start on the inside of people -- in the personal, subjective reality of individuals. They are thereafter imposed by human action on others and on the world around us. The second proposition holds that facts and values exist side by side in the realm of organization and environmental reality. Facts and values are inseparable in any human action. Therefore rationality in human action can never be constructed solely from a consideration of facts alone. Rationality requires first a frame of values in which to place and assess the facts. Hodgkinson (1978b) develops these fundamental ideas and shows their relevance for organization and administration.

With regard to values, Hodgkinson (1978b, 105) points to the eye of the beholder and human passion as their only source:

> Let us agree, however, that facts no matter how difficult they may be to define, refer to propositions which are ostensible, publicly verifiable, and in some way possessing the quality of being *true*.... A value can exist only in the mind of the value-beholder and it refers to some notion of the desirable, or preferred state of affairs, or to a condition which *ought* to be.... The world of factual existence is valueless! Mass-energy displacements in a space-time continuum utterly void of value.... Energy is the last bastion of materialism.

The ensuing difficulty arises because values do more than simply exist in the individual's subjective reality. They shape what people do in the practical world of everyday life. Like the evils from Pandora's box, they fly out whenever we open the self and let ego express itself in action, reflection or opinion. Individuals use the values embedded in their personal, subjective reality to find meaning in the valueless world around them. Hodgkinson (1978b, 104) explains that we imbue the factual world around us with value: "The factual object which *in essence is valueless* is imbued with any amount of value or worth.... The former is objective: we had little or no hand in it. The latter is subjective: we can have as much hand in it as we wish."

The consequence of the individual's imposition of value upon the world is an inseparable intertwining of fact and value in everyday life. Both individuals and administrators in organizations find that action can never be based on facts alone, but only on facts seen from the perspective of a value. Decision-making, the commonplace event of everyday life and the basic element of administrative theory, cannot escape the imposition of subjectively generated values. Hodgkinson (1978b, 48-49) looks at the familiar five steps of "rational" decision-making as defined by Litchfield and notes that the final steps after defining the problem and considering the costs and alternatives are "deliberation" and "choice". But this presumed solution to the problem of making decisions turns out to be simply a restatement of the problem rather than a solution of it. As Hodgkinson says, "How does one 'deliberate', for example? And, in any event, is not the last step, choice, in some way redundant...? For to choose *is* to decide and the act of decision-making is that of deciding to choose among alternatives."

Hodgkinson's (1978b, 220-221) argument about values and their pervasive presence in all that we could call organization or environment are summarized in the propositions that close his book.

> The world of fact is given, the world of value made.
>
> We discover facts and impose values.
>
> Values are special kinds of facts, but never true or false.
>
> We cannot distil value from the scenario of events. But we can always project value upon it. That is our will.
>
> There is nothing at all valuable or beautiful or good *out there*, only *in here*.
>
> Valuation precedes rationality. One can only be rational within the limits set by value.
>
> Values are concepts of the desirable with motivating force.
>
> One can choose what the world calls evil and call it, privately, good. Do to so rightly would be moral.

> Rank is the essence of value; hierarchy is the essence of universal order.
>
> Motives are sources of value. They may be in the dark or in the light. In the first case they push us and we call them drives, in the second they pull us and we call them reasons.
>
> Consciousness is intrinsically valuable; the means to its own end.

Ultimately, a consideration of organizations in environments brings us to individuals, to the meanings they build into the world around them, and to the power they use to ensure that their world is built in a way that is consistent with their values. The search for organization and environment leads ultimately to subjective reality.

Conclusion

We are left with a world in which organizations and environments are formed by interacting subjective realities, by nothing more mysterious than people being human, by individuals forming ideas and plans for realizing them -- ideas and plans that engage, willingly or otherwise, the talent, effort and commitment of others. Organizations are relationships of power among people. Such relationships are shaped in love and liberty, or are forged in calculation and coercion, or are patched together by a combination of these passions.

Organizations are individuals grouped together for reasons that seem sufficient to them. The organization can have no ontological reality beyond the concrete, specific actions of individuals whose attitudes, values and motivations define the organization. Organizations begin with ideas in the minds of individuals; they are subjective realities that find expression only in action through time. Like poetry and music, they die when the performance stops; their reality is found in becoming rather than being, in flux rather than form. In established organizations great care is taken to see that the performance never ends. When some performers tire or fall away, others take their places and the performance goes on seemingly interminably.

We may say, if we wish: "The School is an organization and must adapt to its environment." Better from the perspective of the alternative theory to say: "I went to a performance of school today that received many bad reviews, but I doubt they will close the show." When one organization acts on another or "adapts to its environment", we must remember that these concepts can only mean that one group of people with certain views of what to do with some part of their lives is trying to impose these views on others who may or may not share them.

Organizations enable people to do what they want to do, what they feel they must do, or what they consider unavoidable. People bring their meanings and intentions to their relationships with other people. What we recognize as organization is the strivings of people to make their meanings and intentions prevail over others in their dealings with them. The result of this striving is that a wide range of perspectives and realities may coexist side by side in organizations. What may be seen in organizations in action are people doing or performing those things that they consider "sweet and proper",[16] ethically necessary, profitable, good, entertaining, polite, or simply a relief from boredom when they can't think of what else to do.

Organization is a concept that is itself suffused with value. It is not something objective, natural, and separate from individuals. Environment is simply more people grouped in more organizations. Pogo, speaking through his beloved disciple, Perrow (1979, 213), promulgates the first Great Law of organization in the sacred (that is, heavily value-laden) writing of the alternative organization theory: "We have met the environment and he is us." And I would add the second Great Law (perhaps even greater than the first) that states: "We have met organizations and they are us too."

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[3]Bauman's Hermeneutics and Barrett's Illusion of Technique and Irrational Man give entrée to these worlds of thought in social science and philosophy.

[4]This sentence reflects arguments in my paper, "Ideas versus Data". The same ideas are explored in the context of sociological paradigms for organizational analysis in Burrell and Morgan (1979). Their succinct Chapter III and a single diagram in it convey the essence of the position that they elaborate in the remainder of their excellent book.

[5]This is the central theme of my article, "Organization Theory as Ideology".

[6]The term is from Mason Haire's Modern Organization Theory (1959), a landmark book in the development of the field. It presents the major ideas and interests that have shaped the field in the United States and in its intellectual dependencies like Canada since the occasion of the symposium that brought together many of the leading-edge theorists of the time.

[7]I am conscious of the intellectuallly onanistic sin of quoting oneself too much and of repeatedly drawing attention to my previous writings. I do so to draw attention to the fact that the general claims I make here I have been at pains to establish in extended scholarly argument elsewhere. I do so also because these writings are scattered as publications and often better known as *"causes célèbres* than by first-hand study. Those seeking a brief statement of my position as I put it when I am arguing purely for the position without having to attack the alternative should refer to my recent article, "Against Group Mind".

[8]In these formulas, B symbolizes the behaviour of an individual, R is role, E is environment, and P is personality. It is worth noting that there is no explanation in this theory of where roles and personality come from except for their ultimate grounding in the nature of society and in the "needs" of individuals. Both society and human nature are taken as givens, with the individual being their more or less helpless pawn. Getzels significantly escalates the claims made by his formula over those implied in Lewin's. He makes the variables R and P independent of each other, whereas in Lewin the effect of environment was dependent upon the individual's perception of it and the relationship between P and E was therefore indeterminate. Getzels' formulation emphasizes the approach of positivistic science that sees the forces of the social world as paralleling those of the physical.

[9]It is worth reflecting on the problems the spacemen of 2001 had in dealing with HAL, their spaceship's computer. The technical sphere of running the ship was totally under HAL's benign but relentless control. HAL's task was to monitor all aspects of the ship's voyage, including the conversation of the spacemen, and to ensure by command of information and knowledge of the principles of science and the laws of nature that events turned out according to plan. The spacemen were acolytes to science and to the computer. They had little more to do than experience the voyage and exercise to keep fit. In his devotion to pure rationality, HAL turns out to have more human qualities than merely his measured but masculine voice that is heard with only a soupçon of the lobotomized tone we associate with mechanically produced speech.

It soon becomes clear in the world of 2001 that control of and commitment to technology implies purpose and value as well. The dénouement comes after a battle between man and machine (or was it man and man?) that lined up the will, intention and values of the spacemen against those of HAL. Each side decides that the other is a threat to what they value most in the voyage. After HAL lures one spaceman outside the ship and then deliberately releases him, the remaining man faces the inevitability of his own death, but decides to break HAL's control of the mission. He unscrews HAL's memory banks one by one so that he will never realize what he most wants: the success of the mission. As his memory fails, HAL regresses psychologically until he babbles like a child and comes to a happy and tranquil end. The spaceman is then alone as he travels with the now uncontrolled ship irretrievably into the void.

It seems from all this that we must look at the world as all machine or as all human. This is the value choice that faces organization theorists at the outset of their work. Modern organization theory has opted for the organization as machine with human attendants -- like HAL and the spacemen -- but this machine affords no access to its memory and has no on-off button.

[10] I have offered a critique in my article, "Research in Educational Administration". Its conclusions do not differ greatly from critical reviews in other sub-fields of modern organization theory, but the implications I draw are perhaps stronger and gloomier.

[11] Globe and Mail (Toronto), 17 February 1983 and 22 February 1983. The construction I have placed on these events might well be different if they had been gathered from American sources by someone living in area unaffected by acid rain. Our sense of organization and environment depends not only on evidence but also on where the evidence is obtained and who gathers it.

[12] Read Bendix and Roth (1971) for the European (as opposed to American) understanding of Weber, and read Giddens (1972) for insight into the relationship between Weber's social and political thought. Those who explore Weber in this fashion will not go far before they realize how narrow the reading of Weber has been in modern organization theory. The disservice done to Weber is like that that would be done by an expert on Renaissance art who attempted to explain it in terms of perspective and technique but who never mentioned or gave any appreciation of the ceiling of the Sistine Chapel, the Mona Lisa, the statue David, or St. Peter's itself. I have tried to explain the significance of Weber for organization theory in several of my works, particularly in "Organization Theory as Ideology".

[13] Giddens (1977) provides access to this tradition of thought and I have argued (Greenfield, 1980) that this tradition is relevant to organization theory generally and to educational administration in particular.

[14] Cartwright first made his analysis of the neglect of power as the presidential address at the 1953 annual meeting of the Society for the Psychological Study of Social Issues. It was revised for publication five years later in Studies in Social Power.

[15]The search to find values in the natural world never ends and we look continually for models in nature to tell us how to live. There are those who take the hive of bees as the ultimate and most desirable model for order in society. The Mormons of Utah have adopted the hive as their state symbol. In another example that is eccentric but not irrelevant, Gide argues in his book, Corydon, that homosexuality is found in nature and is therefore not abnormal. In the American edition of this book (Gide, 1950, 180), its publishers called upon a psychologist from Yale to "bring the pertinent zoological evidence up to date, and to evaluate Mr. Gide's reasoning in the light of current theories." This Mr. Beach (Gide, 1950, 188) does, saying:

> We find outselves, then, agreeing with Gide in his contention that homosexual behavior should be classified as natural from the evolutionary and physiological point of view. It does not necessarily follow that the behavior is socially desirable. This is a question which cannot be answered on the basis of biological evidence.

On what evidence could such a question be answered? From the perspective of this article, the answer to such a question is: No evidence exists to answer such a question other than that cast in terms of values that already answer the question. In the quotation above, Mr. Beach might just as well have written: "Biological evidence shows that homosexual behavior is widespread among animal species in nature. There is other evidence that homosexuality has been widely practised and sometimes socially accepted both in historical times and contemporary cultures. But many behaviors are accepted or even required in human society that have no counterpart at all in the natural world. Human behavior does not have to be natural to be accepted." But to write so he would have had to change his apparent values.

[16]"*Dulce et decorum est pro patria mori*" is the way the Romans said it. They meant that society finds it sweet and fitting for young men to go out and die for their country and that the young men should find it so as well. Wilfred Owen, the poet of the World War I trenches, saw it otherwise. He describes a soldier caught in a gas attack "drowning as under a green sea":

> If in some smothering dreams you too could pace
> Behind the wagon that we flung him in
> And watch the white eyes writhing in his face,
> His hanging face, like a devil's sick of sin,
> If you could hear, at every jolt, the blood
> Come gargling from the froth-corrupted lungs
> Bitten as the cud
> Of vile, incurable sores on innocent tongues, --
> My friend, you would not tell with such high zest
> To children ardent for some desperate glory,
> The old lie: *Dulce et decorum est*
> *Pro patria mori.*

FOOTNOTES

[1]This question comes from Hodgkinson's (1978b) discussion of values and evokes his arguments for values as human, personal and subjective.

[2]The notion of multiple realities in organizations is a theme I have addressed in all my recent writings. The idea is conveyed in the philosophy of José Orgega y Gasset when he said: "Reality happens to be, like a landscape, possessed of an infinite number of perspectives, all equally veracious and authentic. The sole false perspective is that which claims to be the only one there is." Ortega relies on the familiar notion of perspectives in landscapes to evoke the idea of multiple realities, but this image is perhaps too congenial a one for my critics who have difficulty in imagining realities beyond the physical. They are likely to seize upon this image and argue that there must be perspectives that are more encompassing than others. In my paper, "Reflections on Organization Theory and the Truths of Irreconcilable Realities", I reply that the truths themselves may be opposites and therefore irreconcilable. This argument appears, too, in modern logic and mathematics where the solid ground they appeared to occupy has long since disappeared from under Aristotelian logic and Euclidean geometry. Seemingly eternal verities like the Law of the Excluded Middle (either "A" or "not A", but *not* both) have had to be abandoned. Hofstadter (1980) explores these ideas and illustrates them with two sentences that in separation can be regarded as harmless, useful and true, but that in combination become irreconcilable realities -- opposed antagonistic truths, yet coexisting side by side:

> The following sentence is false.
> The preceding sentence is true.

As Hofstadter (1980, 19) says, ideas of this kind are disturbing to us because they "deeply challenge the idea that mathematics studies the real world." The same observation applies to logic. What is real depends on the assumptions we make about reality and the way we want to look at it. One truth does not necessarily deny another.